

**WASHINGTON D.C.** – Rep. Darrell Issa (R-CA), the Ranking Member of the House Committee on Oversight and Government Reform and U.S. Senator Susan Collins (R-Maine), the Ranking Member of the Senate Committee on Homeland Security and Government Affairs, sent letters today to Attorney General Eric Holder and Housing and Urban Development (HUD) Secretary Shuan Donovan calling on them to act on information revealed [in a report](#) released last week by the Office of Inspector General (OIG), Inspections and Evaluations Division of the U.S. Department of Housing and Urban Development (HUD) “detailing the results of its investigation of grant funds awarded under HUD’s Housing Counseling Program to ACORN Housing Corporation, Inc. (AHC) of Chicago, now operating as Affordable Housing Centers of America (AHCOA).”

“The U.S. Department of Justice (DOJ), while previously acknowledging that ACORN has engaged in questionable hiring and training practices, has concluded that there is a lack of evidence to prosecute ACORN as a corporate entity. We believe the findings contained in the HUD Inspector General’s report constitute credible evidence that ACORN engaged in evident criminal conduct,” [wrote Issa and Collins to the Attorney General](#). “We call the findings of the report of the HUD Inspector General to your attention so that the Department of Justice can take appropriate action. Please provide a written response stating whether or not DOJ intends to initiate a criminal investigation of the evidence contained in the report.”

“Services procured from ACORN “associated” organizations failed to meet the required tests of ‘open and free competition,’” the [OIG’s report says](#). “We recommend that HUD’s Office of Single Family Housing, Program Support Division consider placing AHCOA in ‘inactive’ status while its initiatives corrective actions to address the exceptions and recommendations in this report.”

[In their letter to the HUD Secretary](#), Issa and Collins, “request that you implement this and all other recommendations contained in the OIG report. The OIG also reported that ACORN received more than \$25.8 million from NeighborWorks America (NeighborWorks), a congressionally chartered nonprofit organization headquartered in Washington, D.C. Additionally, we request that you commence an investigation into whether any of the funds awarded by NeighborWorks were misappropriated by ACORN.”

The IG's report is an independent confirmation of our concerns regarding activities engaged in by ACORN and its affiliates. Specifically, the IG found:

- AHC charged the HUD grant for salaries of terminated employees;

- AHC billed salary expenses for services performed in FY 2008 to its FY 2009 grant award;
- Between 2008 and 2009, AHC spent more than \$2.5 million of HUD grants on salary expenses ;
- AHC was unable to document activities performed by employees and failed to maintain accurate payroll records;
- AHC's ability to account for taxpayer dollars "proved problematic in an environment of multiple funding sources and was unsupported;"

- AHC failed to implement a time and activities reporting system that meets Office of Management and Budget (OMB) Circular A-122 requirements; and,

- AHC's procurement of accounting and legal services, office space, and benefits through "associated" non-profits did not demonstrate "open and free" competition in accordance with 24 CFR Part 84.

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